

CONTRACT AMENDMENT NO. 5
HVAC MAINTENANCE AGREEMENT – PHCF
ATS INLAND NW LLC
CONTRACT NO: COR-SVCS-2018-0142-YSD

This CONTRACT AMENDMENT No. 5 amends the above-referenced contract between the **State of Montana, Department of Corrections** (State), whose address and phone number are P.O. Box 201301, 5 South Last Chance Gulch, Helena, MT 59620-1301, 406-444-3930 and **ATS Inland NW LLC**, (Contractor), whose address and phone number are 2024 3rd Ave. N., Billings, MT 59101, (406) 259-7388. This Contract is amended for the following purpose(s):

WHEREAS the Contractor's address has been corrected in the opening paragraph to reconcile with their current address.

- 1) In accordance with Section 1, of the above referenced contract, entitled Effective Date, Duration, and Renewal, parties mutually agree to extend this Contract for the period April 1, 2023, through March 31, 2024, per the terms, conditions, and prices agreed upon. This is the 5th renewal, 6th year of the Contract. This Contract, including any renewals, may not exceed a total of seven (7) years.
- 2) In accordance with Section 5, of the above referenced contract, Consideration/Payment, parties mutually agree to a rate change below (**new language underlined, old language interlined**):

5.1 Payment Schedule. In consideration of the supplies and services to be provided, the Department shall pay Contractor according to the following schedule:

- A. Department shall pay Contractor ~~\$1,330.00~~ two thousand one hundred sixty-six and 00/100 Dollars (\$2,166.00) per quarter, not to exceed ~~five thousand three hundred twenty and 00/100~~ eight thousand six-hundred sixty-four and 00/100 Dollars (\$8,664.00) annually for the services described herein.

No changes to subsection 5.1.B and Sections 5.2 and 5.3.

- 3) In accordance with Section 13, of the above referenced contract, entitled Compliance with Laws, parties mutually agree to a change in the language with the new language underlined below:

13. COMPLIANCE WITH LAWS

13.1 Applicable Laws. Contractor shall, in performance of work under this Contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act 42 U.S.C. § 18001 et seq. Contractor will comply with the Prison Rape Elimination Act 34 U.S.C. § 30301 et seq., the Prison Rape Elimination Act final rule 28 CFR Part 115, and MDOC Policy 1.1.17, Prison Rape Elimination Act to include incident reporting. State has a zero-tolerance policy as to incidents of sexual assault/rape or sexual misconduct in its correctional facilities or premises. Contractor is referred to § 45-5-501 MCA. Any subletting or subcontracting by Contractor subjects subcontractors to the same provisions. In

accordance with § 49-3-207, MCA, and State of Montana Executive Order No. 04-2016, Contractor agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this Contract.

No changes to Subsection 13.2.

- 4) In accordance with Section 22, of the above referenced contract, entitled Liaisons and Services of Notices, subsection 22.1, entitled Contract Liaisons, parties mutually agree to a change in the Contract's Liaison.

CURRENT: Nathan Jacobsen is State's Liaison
4 N Haynes Ave
Miles City, MT 59301
Telephone: (406) 233-2311
Email: njacobson@mt.gov

NEW: Ron Gilbertson is State's Liaison
4 N Haynes Ave
Miles City, MT 59301
(406) 233-1377
Ronald.Gilberston@mt.gov

CURRENT: Mike Apuyan is Contractor's Liaison
325 16th St. West
Billings, MT 59012
Telephone: (509) 892-1000
Email: Mikea@atsinlandnw.com


NEW: Wyman Petro is Contractor's Liaison
2024 3rd Ave N.
Billings, MT 59101
Telephone: (406) 830-3036
Cell: (406) 880-6836
wympanp@atsinlandnw.com

Except as modified above, all other terms and conditions of Contract No. COR-SVCS-2018-0142-YSD, including Amendments #1 through #4, remain unchanged.

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STATE OF MONTANA
Montana Department of Corrections
5 S. Last Chance Gulch
Helena, MT 59601

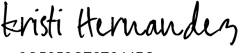
ATS Inland NW LLC
2024 3rd Ave N.
Billings, MT 59101

DocuSigned by:

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Steve Ray, Superintendent
Pine Hills Correctional Facility
4/3/2023
(Date)


DocuSigned by:

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David Robbins, Service Manager
(Date)
4/3/2023

Approved as to Form:

DocuSigned by:

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Kristi L. Hernandez, Contracts Officer
Financial Services Bureau
3/24/2023
(Date)

Approved as to Legal Content:

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Colleen Ambrose, Legal Counsel
Legal Services Bureau
3/24/2023
(Date)

CONTRACT AMENDMENT NO. 4
HVAC MAINTENANCE AGREEMENT - PHCF
CONTRACT NO: COR-SVCS-2018-0142-YSD

This CONTRACT AMENDMENT No. 4 amends the above-referenced contract between the **State of Montana, Department of Corrections** (State), whose address and phone number are P.O. Box 201301, 5 South Last Chance Gulch, Helena, MT 59620-1301, 406-444-3930 and **ATS Inland NW LLC**, (Contractor), whose address and phone number are 325 16th Street West, Billings, MT 59102, (406) 259-7388. This Contract is amended for the following purpose(s):

WHEREAS, the State of Montana, Department of Corrections is hereinafter referred to as “State” rather than “Department”, in the opening paragraph, all references in the original contract, and all previous amendments.

- 1) In accordance with Section 1, of the above referenced contract, entitled Effective Date, Duration, and Renewal, parties mutually agree to extend this Contract for the period April 1, 2022, through March 31, 2023, per the terms, conditions, and prices agreed upon. This is the 4th renewal, 5th year of the Contract. This Contract, including any renewals, may not exceed a total of seven (7) years.
- 2) In accordance with Section 9, of the above referenced contract, entitled Hold Harmless/Indemnification, parties mutually agree to replace the previously agreed upon language with the language as shown below:

9. DEFENSE, INDEMNIFICATION / HOLD HARMLESS

Contractor shall protect, defend, indemnify, and save harmless the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, from and against all claims, liabilities, demands, causes of action, judgments, and losses, including all costs of defense and reasonable attorney fees, arising in favor of or asserted by Contractor’s employees and agents, its subcontractors, its subcontractor’s employees and agents, or third parties on account of property damage, personal injury, bodily injury, death, or financial or other loss of any kind that in any way, directly or indirectly, arise or allegedly arise out of or in connection with this Contract.

Contractor waives all claims, demands, causes of action, and recourse against the State, including claims of contribution or indemnity, arising in favor of Contractor on account of property damage, personal injury, bodily injury, death, or financial or other loss of any kind that in any way, directly or indirectly, arise or allegedly arise out of or in connection with this Contract.

- 3) In accordance with Section 13, of the above referenced contract, entitled Compliance with Laws, parties mutually agree to replace the previously agreed upon language with the language as shown below:

13. COMPLIANCE WITH LAWS

13.1 Applicable Laws. Contractor shall, in performance of work under this Contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient

Protection and Affordable Care Act 42 U.S.C. § 18001 et seq. Contractor will comply with the Prison Rape Elimination Act 34 U.S.C. § 30301 et seq., the Prison Rape Elimination Act final rule 28 CFR Part 115, MDOC Policy 1.1.17, Prison Rape Elimination Act, and ACCD 1.3.1400 PREA to include incident reporting. State has a zero-tolerance policy as to incidents of sexual assault/rape or sexual misconduct in its correctional facilities or premises. Contractor is referred to § 45-5-501 MCA. Any subletting or subcontracting by Contractor subjects subcontractors to the same provisions. In accordance with § 49-3-207, MCA, and State of Montana Executive Order No. 04-2016, Contractor agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this Contract.

13.2 Affordable Care Act. The Affordable Care Act requires a Contractor, if Contractor is an applicable large employer under the ACA, to provide healthcare coverage for its employees who provide services for the State and work for 30 or more hours per week. This coverage must also cover the eligible employee's dependents under the age of 26. The coverage must (a) meet the minimum essential coverage, minimum value, and affordability requirements of the employer responsibility provisions under Section 4980H of the Code (ACA), and (b) otherwise satisfy the requirements of the Code § 4980H (ACA).

- 4) In accordance with Section 15, of the above referenced contract, entitled Registration with the Secretary of State, parties mutually agree to replace the previously agreed upon language with the language as shown below:

15. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are domiciled in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with §§ 35-14-1505, 35-8-1001, and 35-12-1309 MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.


If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. §§ 35-8-1001, 35-12-1302, and 35-14-1502, MCA. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

Except as modified above, all other terms and conditions of Contract No. **COR-SVCS-2018-0142-YSD, including Amendments #1 through #3**, remain unchanged.

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STATE OF MONTANA
Montana Department of Corrections
5 S. Last Chance Gulch
Helena, MT 59601


ATS Inland NW LLC
325 16th Street West
Billings, MT 59102

DocuSigned by:

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Steve Ray, Superintendent
Pine Hills Correctional Facility
4/18/2022
(Date)

DocuSigned by:

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David Robbins, Service Manager
4/18/2022
(Date)

Approved as to Form:

DocuSigned by:

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Kristi L. Hernandez, Contracts Officer
Financial Services Bureau
4/18/2022
(Date)

Approved as to Legal Content:

DocuSigned by:

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Molenda McCarty, Legal Counsel
Legal Services Bureau
4/18/2022
(Date)

CONTRACT AMENDMENT NO. 3
HVAC MAINTENANCE AGREEMENT - PHCF
CONTRACT NO: COR-SVCS-2018-0142-YSD

This CONTRACT AMENDMENT No. 3 amends the above-referenced contract between the **State of Montana, Department of Corrections** (STATE), whose address and phone number are P.O. Box 201301, 5 South Last Chance Gulch, Helena, MT 59620-1301, 406-444-3930 and **ATS Inland, NW, LLC**, (CONTRACTOR), whose address and phone number are 325 16th Street West, Billings, MT 59102, (406) 259-7388. This Contract is amended for the following purpose(s):

WHEREAS, the reference in Section 13, entitled Compliance with Laws, to "MDOC Policy 1.3.14" has been replaced with "MDOC Policy 1.1.17" to reconcile with the current Department policy.

WHEREAS, the reference in Section 13, entitled Compliance with Laws, to "Prison Rape Elimination Act 42 U.S.C.A § 15601ff" has been replaced with "Prison Rape Elimination Act 34 U.S.C. § 30301 et seq." to reconcile with the transfer in the United States Code by the compilers of the code.

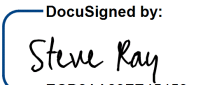
WHEREAS, the reference in Section 15, entitled Registration with the Secretary of State, to § 35-1-1026 MCA, has been replaced with § 35-14-1502, MCA, to reconcile with current Montana Code Annotated.

- 1) In accordance with Section 1, of the above referenced contract, entitled Effective Date, Duration, and Renewal, parties mutually agree to extend this Contract for the period April 1, 2021, through March 30, 2022, per the terms, conditions, and prices agreed upon. This is the 3rd renewal, 4th year of the Contract. This Contract, including any renewals, may not exceed a total of seven (7) years.

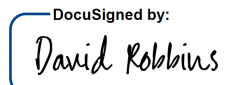
Except as modified above, all other terms and conditions of Contract No. **COR-SVCS-2018-0142-YSD**, **including Amendments #1 and #2**, remain unchanged

STATE OF MONTANA
Montana Department of Corrections
5 S. Last Chance Gulch
Helena, MT 59601

ATS Inland, NW, LLC
325 16th Street West
Billings, MT 59102

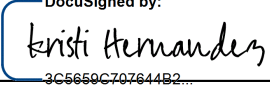
BY: Steve Ray, Superintendent
 (Name/Title)
 DocuSigned by:

 ECD3AA89FE45459
 (Signature)

DATE: 4/20/2021

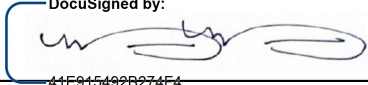
BY: David Robbins, Service Manager
 (Name/Title)
 DocuSigned by:

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 (Signature)

DATE: 4/20/2021

Approved as to Form:

DocuSigned by:

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 Contracts Officer
 Department of Corrections
 4/1/2021
 (Date)

Approved as to Legal Content:

DocuSigned by:

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 Legal Counsel
 Department of Corrections
 4/1/2021
 (Date)

**CONTRACT AMENDMENT NO. 2
HVAC MAINTENANCE AGREEMENT - PHCF
CONTRACT NO: COR-SVCS-2018-0142-YSD**

This CONTRACT AMENDMENT No. 2 amends the above-referenced contract between the State of Montana, Department of Corrections (STATE), whose address and phone number are P.O. Box 201301, 5 South Last Chance Gulch, Helena, MT 59620-1301, 406-444-3930 and ATS Inland, NW, LLC, (CONTRACTOR), whose address and phone number are 325 16th Street West, Billings, MT 59102, (406) 259-7388. This Contract is amended for the following purpose(s):

- 1) In accordance with the above referenced contract, parties mutually agree to change the facility name in which services are provided.

Previous Facility Name: Pine Hills Youth Correctional Facility (PHYCF)

Current Facility Name: Pine Hills Correctional Facility (PHCF)

- 2) In accordance with Section 1, of the above referenced contract, entitled Effective Date, Duration, and Renewal, parties mutually agree to extend this Contract for the period April 1, 2020, through March 30, 2021 per the terms, conditions, and prices agreed upon. This is the 2nd renewal, 3rd year of the Contract.
- 3) In accordance with Section 22, of the above referenced contract, sub-section 22.1 entitled Contract Liaisons, both parties mutually agree to change the Contractor Liaison:

Previous Liaison: Alex DeWolf
325 16th St. West
Billings, MT 59102

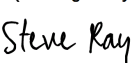
Current Liaison: Mike Apuyan
325 16th St. West
Billings, MT 59012
(509) 892-1000
Mikea@atsinlandnw.com

Except as modified above, all other terms and conditions of Contract No. **COR-SVCS-2018-0142-YSD**, including Amendment No. 1, remain unchanged.

STATE OF MONTANA
Montana Department of Corrections
5 S. Last Chance Gulch
Helena, MT 59601


ATS Inland, NW, LLC
325 16th Street West
Billings, MT 59102

BY: Steve Ray, Superintendent
(Name/Title)

SIGNATURE: 
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DATE: 5/11/2020

BY: David Robbins, Service Manager
(Name/Title)

SIGNATURE: 
A2321DCE30C14D8...

DATE: 5/11/2020

Approved as to Form:

DocuSigned by:

Kristi Hernandez

4/26/2020

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Contract Officer

(Date)

Department of Corrections

Approved as to Legal Content:

DocuSigned by:

Lorraine Schneider

4/26/2020

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Legal Counsel

(Date)

Department of Corrections

CONTRACT AMENDMENT NO.: 1
ATS Inland, NW, LLC
CONTRACT NO: COR-SVCS-2018-0142-YSD

This CONTRACT AMENDMENT No. 1 is to amend the above-referenced contract between the State of Montana, Department of Corrections (STATE), whose address and phone number are 5 South Last Chance Gulch, Helena, MT 59601, 406-444-3930 and ATS Inland, NW, LLC, (CONTRACTOR), whose address and phone number are 325 16th Street West, Billings, MT 59102, (406)-259-7388. This Contract is amended for the following purpose(s):

- 1) In accordance with the section entitled Effective Date, Duration, and Renewal, both parties mutually agree to extend this Contract for the period April 1, 2019, through March 31, 2020 per the terms, conditions, and prices agreed upon. This is the 1st renewal, 2nd year of the Contract.

Except as modified above, all other terms and conditions of Contract No. **COR-SVCS-2018-0142-YSD** remain unchanged.

STATE OF MONTANA
Department of Corrections
5 South Last Chance Gulch
Helena, MT 59601

DocuSigned by:
BY: Steve Ray
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Steve Ray, Superintendent
Pine Hills Correctional Facility

ATS Inland, NW, LLC
325 16th Street West
Billings, MT 59102

DocuSigned by:
BY: David A Robbins
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David Robbins, Service Manager
ATS Inland, NW, LLC

DATE: 5/15/2019

DATE: 5/15/2019

Approved as to Legal Content:

Legal Counsel (DATE)
DocuSigned by:
Lorraine Schneider 5/1/2019
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(HVAC Maintenance Agreeemnt PHYCF)
(COR-SVCS-2018-0142-YSD)

THIS CONTRACT is entered into by and between the State of Montana, **Montana Department of Corrections** (Department), whose address and phone number are **5 S. Last Chance Gulch, Helena, MT 59601, (406) 444-3930** and **ATS Inland, NW, LLC** (Contractor), whose address and phone number are 325 16th St. West, Billings, MT 59102 and (406)-259-7388.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract's initial term is upon contract execution through **March 31, 2019**, unless terminated earlier as provided in this contract. In no event is this contract binding on the Department unless the Department's authorized representative has signed it. The legal counsel signature approving legal content of the contract does not constitute an authorized signature.

1.2 Contract Renewal. The Department may renew this contract under its then-existing terms and conditions (subject to potential cost adjustments described below in section 2) in one-year intervals, or any interval that is advantageous to the Department. This contract, including any renewals, may not exceed a total of seven (7) years.

2. COST ADJUSTMENTS

2.1 Cost Increase by Mutual Agreement. After the contract's initial term and if the Department agrees to a renewal, the parties may agree upon a cost increase. The Department is not obligated to agree upon a renewal or a cost increase. Any cost increases must be based on demonstrated industry-wide or regional increases in Contractor's costs. Publications such as the Federal Bureau of Labor Statistics and the Consumer Price Index (CPI) for all Urban Consumers may be used to determine the increased value.

3. SERVICES AND/OR SUPPLIES

Contractor shall provide the Department the following services as described in their bid response dated 12/22/2017. An overview of services is below:

ATS Customer Support Agreement Features:

1. Technology Updates

a. Contractor will provide software updates as they become available. No hardware, operating system or other 3rd-party software upgrades are included.

2. System Performance Services; On-Line/ On-Site Services

A. Online Services

a. Troubleshooting and Diagnostics Assistance (normal working hours). Contractor will provide limited troubleshooting and diagnostics assistance via telephone, modem and/or Internet during normal working hours. Department will supply the necessary modem equipment to enable our local office to remotely log-on to your system via regular voice grade DSL phone line or Internet (voice grade phone line and/or internet access to be *provided* and *maintained* by the Department).

B. Onsite Services

a. Building Control System Database Protection

Contractor will back-up the HVAC Control System database, software and graphics a minimum of two (2) times per year, and provide safe storage of this critical business information. Should a catastrophic event occur, Contractor will respond onsite (or online if such service is included in this Agreement) to reload the databases and system files from our stored backup copy and to ensure proper operation and performance.

b. Building Control System Analysis

With Control System Analysis, Contractor will:

1. Inspect the physical and electrical condition of each global controller.
2. Perform a sequence of operations review
3. File & database analysis
4. Review alarms, trendlogs, schedules and energy log reporting.
5. Perform Envision server computer performance optimization.

Contractor will compare them to the prior status report and will meet with the Department to discuss the effects of the changes on the operation of the Alerton building control system.

3. Central Equipment Functional Performance Testing

a. Air Handler Functional Performance Testing

b. Chiller/Chilled Water System Functional Performance Testing

c. Boiler/Hot Water System Functional Performance Testing

4. Emergency Response Services

a. On-line Emergency Response

Contractor will use Direct Connect technology and/or the telephone as the first action to a request for emergency response. Department will supply the necessary modem equipment to enable Contractor's local office to remotely log-on to the system via regular voice grade DSL phone line or Internet (voice grade phone line and/or internet access to be provided and maintained by the customer). Emergencies will be determined by Contractor and Department staff.

b. Priority Emergency On-line Response Time (Included with all Customer Support Agreements) - - - within 2 business hours; Monday through Friday; 8:00 AM to 5:00PM, excluding holidays

c. On-site Emergency Response

If Contractor is unable to resolve an issue during On-line Emergency response, Contractor will dispatch a Service Engineer to the facility. Non-emergency calls, as determined by Department staff and Contractor will be incorporated into the next scheduled service call.

d. Priority Emergency On-site Response Time (Included with all Customer Support Agreements)

Contractor will be on site by the end of the next business day; Monday through Friday; 8:00 AM to 5:00PM, excluding holidays

5. General ATS Customer Support Agreement Features

Contractor will provide the following staff support:

- ⌚ **Account Manager**
- ⌚ **Dedicated Service Team** - A Primary and a Secondary ATS Service Technician will be assigned to the support agreement account.
- ⌚ **Documentation** - All service visits will be documented by a work order detailing the service performed, materials used, and hours spent.
- ⌚ **System and Service Log** - Contractor will provide a log for documentation of concerns, system problems, and other related items requiring our attention. Each scheduled service visit shall begin with a review of the log.

4. WARRANTIES

4.1 Warranty of Products. Contractor warrants that the products supplied conform to the specifications requested, are fit and sufficient for the purpose manufactured, are of good material and workmanship, and are free from defect. The length of warranty may vary by product. Contractor further warrants that the products are new and unused and of the latest model or manufacture, unless the Department specifies otherwise. Contractor acknowledges that exceptions will be rejected.

4.2 Warranty of Services. Contractor warrants that the services provided conform to the contract requirements, including all descriptions, specifications and attachments made a part of this contract. The Department's acceptance of services provided by Contractor shall not relieve Contractor from its obligations under this warranty. In addition to its other remedies under this contract, at law, or in equity, the Department may, at Contractor's expense, require prompt correction of any services failing to meet Contractor's warranty herein. Services corrected by Contractor shall be subject to all the provisions of this contract in the manner and to the same extent as services originally furnished.

5. CONSIDERATION/PAYMENT

5.1 Payment Schedule. In consideration of the supplies and services to be provided, the Department shall pay Contractor according to the following schedule:

- A. Department shall pay Contractor **\$1,330.00** per quarter, not to exceed **five thousand three hundred twenty and 00/100 Dollars (\$5,320.00)** annually for the services described herein.
- B. This rate is inclusive of all travel and per diem. Department will not compensate Contractor for travel or travel time, lodging, meals, supplies, or any other expense incurred by Contractor while performing services identified within this Contract.

5.2 Payment Terms. Unless otherwise noted in the solicitation document, the Department has 30 days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking information at the time of contract execution in order to facilitate the Department's electronic funds transfer payments.

5.3 Reference to Contract. The contract number **MUST** appear on all invoices, packing lists, packages, and correspondence pertaining to the contract. If the number is not provided, the Department is not obligated to pay the invoice.

6. AGENCY ASSISTANCE

To the extent possible, Contractor shall use its own equipment in providing the goods/services set forth in Section 3. However, the parties recognize that services provided to Department may occur within the confines of a secure correctional facility necessitating the use of Department facilities and equipment including, but not limited to, access to inmate records, work space within a correctional facility, and phone service (e.g., Montana State Prison does not allow cellular or digital phones within the facility).

7. ACCESS AND RETENTION OF RECORDS

7.1 Access to Records. Contractor shall provide the Department, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. The Department may terminate this contract under section 17, without incurring liability, for the Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

7.2 Retention Period. Contractor shall create and retain all records supporting the services rendered and supplies provided for a period of eight years after either the completion date of this contract or termination of the contract.

8. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this contract without the Department's prior written consent. (18-4-141, MCA) Contractor is responsible to the Department for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and the Department under this contract.

9. HOLD HARMLESS/INDEMNIFICATION

Contractor agrees to protect, defend, indemnify, and hold harmless the Department, its elected and appointed officials, agents and employees from and against all legal, equitable or administrative claims, causes of action, damages, losses and expenses, of any kind or character, including but not limited to attorneys' fees and the costs of defense, arising in favor of Contractor's employees or third parties on account of bodily injury, sickness, disease, death, personal injury, violation of an offender's constitutional or statutory rights, or to injury to or destruction of tangible property except for such claims, causes of action, damages, losses or expenses which are solely due to the fault or negligence of the party seeking indemnity.

10. REQUIRED INSURANCE

10.1 General Requirements. Contractor shall maintain for the duration of this contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

10.2 Primary Insurance. Contractor's insurance coverage shall be primary insurance with respect to the Department, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the Department, its officers, officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it.

10.3 Specific Requirements for Commercial General Liability. Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property

damage of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

The Department, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor, products, and completed operations, and the premises owned, leased, occupied, or used.

10.4 Specific Requirements for Automobile Liability. Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

10.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the Department. At the request of the Department either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Department, its officers, officials, employees, or volunteers; or (2) at the expense of Contractor, Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

10.6 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages has been received by the Department's Contracts Management Bureau, P.O. Box 201301, Helena, MT 59620. Contractor must notify the Department immediately of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The Department reserves the right to require complete copies of insurance policies at all times.

11. LICENSURE

Contractor agrees to provide copies of current licenses and certifications that register Contractor and any associates performing under this Contract.

12. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the Department of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are Department employees. This insurance/exemption must be valid for the entire contract term and any renewal. Upon expiration, a renewal document must be sent to the Department's Contracts Management Bureau, P.O. Box 201301, Helena, MT 59620.

13. COMPLIANCE WITH LAWS

Contractor shall, in performance of work under this Contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. CONTRACTOR will comply with the Prison Rape Elimination Act 42 U.S.C.A. § 15601ff, the Prison Rape Elimination Act final rule 28 CFR

Part 115, MDOC Policy 1.3.14, Prison Rape Elimination Act, and ACCD 1.3.1400 PREA to include incident reporting. CONTRACTOR shall establish a zero tolerance policy to incidents of sexual assault/rape or sexual misconduct. Any subletting or subcontracting by Contractor subjects subcontractors to the same provisions. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016 Contractor agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this Contract.

The Affordable Care Act requires a contractor, if contractor is an applicable large employer under the ACA, to provide healthcare coverage for its employees who provide services for the State and work for 30 or more hours per week. This coverage must also cover the eligible employee's dependents under the age of 26. The coverage must (a) meet the minimum essential coverage, minimum value, and affordability requirements of the employer responsibility provisions under Section 4980H of the Code (ACA), and (b) otherwise satisfy the requirements of the Code § 4980 H (ACA) if provided by the State.

Additional Indemnification. Claims under this provision also include those arising out of or in any way connected with Contractor's breach of this contract, including any Claims asserting that any of Contractor's employees are actually employees or common law employees of the State or any of its agencies, including but not limited to, excise taxes or penalties imposed on the State under the Code §§ 4980H, 6055 or 6056.

Reporting Requirements. Contractor, if contractor is an applicable large employer under the ACA, further states that it shall satisfy all reporting requirements under the Code §§ 6055 and 6056 (ACA) with respect to individuals who perform services for the State.

Auditing. The State may audit Contractor's operations to ensure that the Contractor has complied with the statements made above.

14. DISABILITY ACCOMMODATIONS

The Department does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

15. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

16. INTELLECTUAL PROPERTY/OWNERSHIP

16.1 Ownership of Work Product. Contractor shall execute any documents or take any other actions as may reasonably be necessary, or as the Department may reasonably request, to perfect the Department's ownership of any Work Product.

16.2 Copy of Work Product. Contractor shall, at no cost to the Department, deliver to the Department, upon the Department's request during the term of this contract or at its expiration or termination, a current copy of all Work Product in the form and on the media in use as of the date of the Department's request, or such expiration or termination.

16.3 Ownership of Contractor Pre-Existing Materials. Contractor retains ownership of all literary or other works of authorship (such as software programs and code, documentation, reports, and similar works), information, data, intellectual property, techniques, subroutines, algorithms, methods or related rights and derivatives that Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed by Contractor in connection with the services provided to the Department (the "Contractor Pre-existing Materials"). Contractor Pre-existing Materials are not Work Product. Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the Department before its use and to prove its ownership. If, however, Contractor fails to disclose to the Department such Contractor Pre-Existing Materials, Contractor shall grant the Department a nonexclusive, worldwide, paid-up license to use any Contractor Pre-Existing Materials embedded in the Work Product to the extent such Contractor Pre-Existing Materials are necessary for the Department to receive the intended benefit under this contract. Such license shall remain in effect for so long as such Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided for in Section 16.1 or as may be expressly agreed in any statement of work, contractor shall retain title to and ownership of any hardware it provides under this contract.

17. CONTRACT TERMINATION

17.1 Termination for Cause with Notice to Cure Requirement. The Department may terminate this contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms, or conditions contained in this contract after giving Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

17.2 Termination for Cause with Notice to Cure Requirement. Contractor may terminate this contract for the Department's failure to perform any of its duties under this contract after giving the Department written notice of the failure. The written notice must demand performance of the stated failure within a specified period of time of not less than **30 days**. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

17.3 Reduction of Funding. The Department must by law terminate this contract if funds are not appropriated or otherwise made available to support the Department's continuation of performance of this contract in a subsequent fiscal period. (18-4-313(4), MCA.) If state or federal government funds are not appropriated or otherwise made available through the Department budgeting process to support continued performance of this contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, the Department shall terminate this contract as required by law. The Department shall provide Contractor the date the Department's termination shall take effect. The Department shall not be liable to Contractor for any payment that would have been payable had the contract not been terminated under this provision. As stated above, the Department shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the Department's termination takes effect. This is Contractor's sole remedy. The Department shall not be liable to Contractor for any other

payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

18. EVENT OF BREACH – REMEDIES

18.1 Event of Breach by Contractor. Any one or more of the following Contractor acts or omissions constitute an event of material breach under this contract:

- ⌚ products or services furnished fail to conform to any requirement;
- ⌚ failure to submit any report required by this contract;
- ⌚ failure to perform any of the other terms and conditions of this contract, including but not limited to beginning work under this contract without prior Department approval; or
- ⌚ voluntary or involuntary bankruptcy or receivership.

18.2 Event of Breach by Department. The Department's failure to perform any material terms or conditions of this contract constitutes an event of breach.

18.3 Actions in Event of Breach.

Upon Contractor's material breach, the Department may:

- ⌚ terminate this contract under Section 17.1 and pursue any of its remedies under this contract, at law, or in equity; or
- ⌚ treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon the Department's material breach, Contractor may:

- ⌚ terminate this contract under Section 17 .2 and pursue any of its remedies under this contract, at law, or in equity; or
- ⌚ treat this contract as materially breached and, except as the remedy is limited in this contract, pursue any of its remedies under this contract, at law, or in equity.

19. FORCE MAJEURE

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than five working days after the onset. If the notice is not provided within the five day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

20. WAIVER OF BREACH

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

21. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the Department's Contracts Management Bureau's prior written consent. Product or services provided that do not conform to the contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

22. LIAISONS AND SERVICE OF NOTICES

22.1 Contract Liaisons. All project management and coordination on the Department's behalf must be through a single point of contact designated as the Department's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed under this contract must be coordinated between the Department's liaison and Contractor's liaison.

Nathan Jacobson is the Department's liaison.

4 N Haynes Ave

Miles City, MT 59301

Telephone: 406-233-2311

E-mail: njacobson@mt.gov

Alex DeWolf is Contractor's liaison.

325 16th St West

Billings, MT 59102

Telephone:

E-mail:

22.2 Notifications. The Department's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

23. MEETINGS

23.1 Technical or Contractual Problems. Contractor shall meet with the Department's personnel, or designated representatives, to resolve technical or contractual problems occurring during the contract term or to discuss the progress made by Contractor and the Department in the performance of their respective obligations, at no additional cost to the Department. The Department may request the meetings as problems arise and will be coordinated by the Department. The Department shall provide Contractor a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Contractor's consistent failure to participate in problem resolution meetings, Contractor missing or rescheduling two consecutive meetings, or Contractor's failure to make a good faith effort to resolve problems may result in termination of the contract.

23.2 Failure to Notify. If Contractor fails to specify in writing any problem or circumstance that materially affects the costs of its delivery of services or products, including a material breach by the Department, about which Contractor knew or reasonably should have known with respect to the period during the term covered by Contractor's status report, Contractor shall not be entitled to rely upon such problem or circumstance as a purported justification for an increase in the price for the agreed upon scope.

23.3 Department's Failure or Delay. For a problem or circumstance identified in Contractor's status report in which Contractor claims was the result of the Department's failure or delay in discharging any Department obligation, the Department shall review same and determine if such problem or circumstance was in fact the result of such failure or delay. If the Department agrees as to the cause of such problem or

circumstance, then the parties shall extend any deadlines or due dates affected thereby, and provide for any additional charges by Contractor. This is Contractor's sole remedy. If the Department does not agree as to the cause of such problem or circumstance, the parties shall each attempt to resolve the problem or circumstance in a manner satisfactory to both parties.

24. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, if the contract is otherwise terminated before project completion, or if particular work on a project is terminated for any reason, Contractor shall provide transition assistance for a reasonable, mutually agreed period of time after the expiration or termination of this contract or particular work under this contract. The purpose of this assistance is to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the Department or its designees. The parties agree that such transition assistance is governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The Department shall pay Contractor for any resources utilized in performing such transition assistance at the most current contract rates. If the Department terminates a project or this contract for cause, then the Department may offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages the Department may have sustained as a result of Contractor's breach.

25. CHOICE OF LAW AND VENUE

Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

26. TAX EXEMPTION

The Department of Montana is exempt from Federal Excise Taxes (#81-0302402).

27. AUTHORITY

This contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

28. SEVERABILITY CLAUSE

A declaration by any court or any other binding legal source that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually and materially dependent.

29. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

29.1 Contract. This contract consists of 11 numbered pages and any Attachments as required. In the case of dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

29.2 Entire Agreement. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by the parties.

30. WAIVER

Contractor: ATS Inland, NW, LLC
Contract #COR-SVCS-2018-0142-YSD
Contracting Authority: Sole Source

The Department's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

31. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

DEPARTMENT OF MONTANA
Montana Department of Corrections
5 S. Last Chance Gulch
Helena, MT 59601

ATS Inland, NW, LLC
325 16th St West
Billings, MT 59102

DocuSigned by:

Cindy McKenzie

5D1FF62E9E074AE

Cindy McKenzie, Administrator
Youth Services Division

DATE: 3/6/2018

DocuSigned by:

David Robbins

37D953A131BE407

David Robbins, Service Manager
ATS Inland, NW, LLC

DATE: 3/6/2018

Approved as to Legal Content:

DocuSigned by:

Colleen E Ambrose

FFF88078013447

Legal Counsel

3/6/2018

(Date)

(HVAC Maintenance Agreeemnt PHYCF)
(COR-SVCS-2018-0142-YSD)

THIS CONTRACT is entered into by and between the State of Montana, **Montana Department of Corrections** (Department), whose address and phone number are **5 S. Last Chance Gulch, Helena, MT 59601, (406) 444-3930** and **ATS Inland, NW, LLC** (Contractor), whose address and phone number are 325 16th St. West, Billings, MT 59102 and (406)-259-7388.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract's initial term is upon contract execution through **March 31, 2019**, unless terminated earlier as provided in this contract. In no event is this contract binding on the Department unless the Department's authorized representative has signed it. The legal counsel signature approving legal content of the contract does not constitute an authorized signature.

1.2 Contract Renewal. The Department may renew this contract under its then-existing terms and conditions (subject to potential cost adjustments described below in section 2) in one-year intervals, or any interval that is advantageous to the Department. This contract, including any renewals, may not exceed a total of seven (7) years.

2. COST ADJUSTMENTS

2.1 Cost Increase by Mutual Agreement. After the contract's initial term and if the Department agrees to a renewal, the parties may agree upon a cost increase. The Department is not obligated to agree upon a renewal or a cost increase. Any cost increases must be based on demonstrated industry-wide or regional increases in Contractor's costs. Publications such as the Federal Bureau of Labor Statistics and the Consumer Price Index (CPI) for all Urban Consumers may be used to determine the increased value.

3. SERVICES AND/OR SUPPLIES

Contractor shall provide the Department the following services as described in their bid response dated 12/22/2017. An overview of services is below:

ATS Customer Support Agreement Features:

1. Technology Updates

a. Contractor will provide software updates as they become available. No hardware, operating system or other 3rd-party software upgrades are included.

2. System Performance Services; On-Line/ On-Site Services

A. Online Services

a. Troubleshooting and Diagnostics Assistance (normal working hours). Contractor will provide limited troubleshooting and diagnostics assistance via telephone, modem and/or Internet during normal working hours. Department will supply the necessary modem equipment to enable our local office to remotely log-on to your system via regular voice grade DSL phone line or Internet (voice grade phone line and/or internet access to be *provided* and *maintained* by the Department).

B. Onsite Services

a. Building Control System Database Protection

Contractor will back-up the HVAC Control System database, software and graphics a minimum of two (2) times per year, and provide safe storage of this critical business information. Should a catastrophic event occur, Contractor will respond onsite (or online if such service is included in this Agreement) to reload the databases and system files from our stored backup copy and to ensure proper operation and performance.

b. Building Control System Analysis

With Control System Analysis, Contractor will:

1. Inspect the physical and electrical condition of each global controller.
2. Perform a sequence of operations review
3. File & database analysis
4. Review alarms, trendlogs, schedules and energy log reporting.
5. Perform Envision server computer performance optimization.

Contractor will compare them to the prior status report and will meet with the Department to discuss the effects of the changes on the operation of the Alerton building control system.

3. Central Equipment Functional Performance Testing

a. Air Handler Functional Performance Testing

b. Chiller/Chilled Water System Functional Performance Testing

c. Boiler/Hot Water System Functional Performance Testing

4. Emergency Response Services

a. On-line Emergency Response

Contractor will use Direct Connect technology and/or the telephone as the first action to a request for emergency response. Department will supply the necessary modem equipment to enable Contractor's local office to remotely log-on to the system via regular voice grade DSL phone line or Internet (voice grade phone line and/or internet access to be provided and maintained by the customer). Emergencies will be determined by Contractor and Department staff.

b. Priority Emergency On-line Response Time (Included with all Customer Support Agreements) - - - within 2 business hours; Monday through Friday; 8:00 AM to 5:00PM, excluding holidays

c. On-site Emergency Response

If Contractor is unable to resolve an issue during On-line Emergency response, Contractor will dispatch a Service Engineer to the facility. Non-emergency calls, as determined by Department staff and Contractor will be incorporated into the next scheduled service call.

d. Priority Emergency On-site Response Time (Included with all Customer Support Agreements)

Contractor will be on site by the end of the next business day; Monday through Friday; 8:00 AM to 5:00PM, excluding holidays

5. General ATS Customer Support Agreement Features

Contractor will provide the following staff support:

- ⌚ **Account Manager**
- ⌚ **Dedicated Service Team** - A Primary and a Secondary ATS Service Technician will be assigned to the support agreement account.
- ⌚ **Documentation** - All service visits will be documented by a work order detailing the service performed, materials used, and hours spent.
- ⌚ **System and Service Log** - Contractor will provide a log for documentation of concerns, system problems, and other related items requiring our attention. Each scheduled service visit shall begin with a review of the log.

4. WARRANTIES

4.1 Warranty of Products. Contractor warrants that the products supplied conform to the specifications requested, are fit and sufficient for the purpose manufactured, are of good material and workmanship, and are free from defect. The length of warranty may vary by product. Contractor further warrants that the products are new and unused and of the latest model or manufacture, unless the Department specifies otherwise. Contractor acknowledges that exceptions will be rejected.

4.2 Warranty of Services. Contractor warrants that the services provided conform to the contract requirements, including all descriptions, specifications and attachments made a part of this contract. The Department's acceptance of services provided by Contractor shall not relieve Contractor from its obligations under this warranty. In addition to its other remedies under this contract, at law, or in equity, the Department may, at Contractor's expense, require prompt correction of any services failing to meet Contractor's warranty herein. Services corrected by Contractor shall be subject to all the provisions of this contract in the manner and to the same extent as services originally furnished.

5. CONSIDERATION/PAYMENT

5.1 Payment Schedule. In consideration of the supplies and services to be provided, the Department shall pay Contractor according to the following schedule:

- A. Department shall pay Contractor **\$1,330.00** per quarter, not to exceed **five thousand three hundred twenty and 00/100 Dollars (\$5,320.00)** annually for the services described herein.
- B. This rate is inclusive of all travel and per diem. Department will not compensate Contractor for travel or travel time, lodging, meals, supplies, or any other expense incurred by Contractor while performing services identified within this Contract.

5.2 Payment Terms. Unless otherwise noted in the solicitation document, the Department has 30 days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking information at the time of contract execution in order to facilitate the Department's electronic funds transfer payments.

5.3 Reference to Contract. The contract number **MUST** appear on all invoices, packing lists, packages, and correspondence pertaining to the contract. If the number is not provided, the Department is not obligated to pay the invoice.

6. AGENCY ASSISTANCE

To the extent possible, Contractor shall use its own equipment in providing the goods/services set forth in Section 3. However, the parties recognize that services provided to Department may occur within the confines of a secure correctional facility necessitating the use of Department facilities and equipment including, but not limited to, access to inmate records, work space within a correctional facility, and phone service (e.g., Montana State Prison does not allow cellular or digital phones within the facility).

7. ACCESS AND RETENTION OF RECORDS

7.1 Access to Records. Contractor shall provide the Department, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. The Department may terminate this contract under section 17, without incurring liability, for the Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

7.2 Retention Period. Contractor shall create and retain all records supporting the services rendered and supplies provided for a period of eight years after either the completion date of this contract or termination of the contract.

8. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this contract without the Department's prior written consent. (18-4-141, MCA) Contractor is responsible to the Department for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and the Department under this contract.

9. HOLD HARMLESS/INDEMNIFICATION

Contractor agrees to protect, defend, indemnify, and hold harmless the Department, its elected and appointed officials, agents and employees from and against all legal, equitable or administrative claims, causes of action, damages, losses and expenses, of any kind or character, including but not limited to attorneys' fees and the costs of defense, arising in favor of Contractor's employees or third parties on account of bodily injury, sickness, disease, death, personal injury, violation of an offender's constitutional or statutory rights, or to injury to or destruction of tangible property except for such claims, causes of action, damages, losses or expenses which are solely due to the fault or negligence of the party seeking indemnity.

10. REQUIRED INSURANCE

10.1 General Requirements. Contractor shall maintain for the duration of this contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

10.2 Primary Insurance. Contractor's insurance coverage shall be primary insurance with respect to the Department, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the Department, its officers, officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it.

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13. COMPLIANCE WITH LAWS

Contractor shall, in performance of work under this Contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. CONTRACTOR will comply with the Prison Rape Elimination Act 42 U.S.C.A. § 15601ff, the Prison Rape Elimination Act final rule 28 CFR

Part 115, MDOC Policy 1.3.14, Prison Rape Elimination Act, and ACCD 1.3.1400 PREA to include incident reporting. CONTRACTOR shall establish a zero tolerance policy to incidents of sexual assault/rape or sexual misconduct. Any subletting or subcontracting by Contractor subjects subcontractors to the same provisions. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016 Contractor agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this Contract.

The Affordable Care Act requires a contractor, if contractor is an applicable large employer under the ACA, to provide healthcare coverage for its employees who provide services for the State and work for 30 or more hours per week. This coverage must also cover the eligible employee's dependents under the age of 26. The coverage must (a) meet the minimum essential coverage, minimum value, and affordability requirements of the employer responsibility provisions under Section 4980H of the Code (ACA), and (b) otherwise satisfy the requirements of the Code § 4980 H (ACA) if provided by the State.

Additional Indemnification. Claims under this provision also include those arising out of or in any way connected with Contractor's breach of this contract, including any Claims asserting that any of Contractor's employees are actually employees or common law employees of the State or any of its agencies, including but not limited to, excise taxes or penalties imposed on the State under the Code §§ 4980H, 6055 or 6056.

Reporting Requirements. Contractor, if contractor is an applicable large employer under the ACA, further states that it shall satisfy all reporting requirements under the Code §§ 6055 and 6056 (ACA) with respect to individuals who perform services for the State.

Auditing. The State may audit Contractor's operations to ensure that the Contractor has complied with the statements made above.

14. DISABILITY ACCOMMODATIONS

The Department does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

15. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

16. INTELLECTUAL PROPERTY/OWNERSHIP

16.1 Ownership of Work Product. Contractor shall execute any documents or take any other actions as may reasonably be necessary, or as the Department may reasonably request, to perfect the Department's ownership of any Work Product.

16.2 Copy of Work Product. Contractor shall, at no cost to the Department, deliver to the Department, upon the Department's request during the term of this contract or at its expiration or termination, a current copy of all Work Product in the form and on the media in use as of the date of the Department's request, or such expiration or termination.

16.3 Ownership of Contractor Pre-Existing Materials. Contractor retains ownership of all literary or other works of authorship (such as software programs and code, documentation, reports, and similar works), information, data, intellectual property, techniques, subroutines, algorithms, methods or related rights and derivatives that Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed by Contractor in connection with the services provided to the Department (the "Contractor Pre-existing Materials"). Contractor Pre-existing Materials are not Work Product. Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the Department before its use and to prove its ownership. If, however, Contractor fails to disclose to the Department such Contractor Pre-Existing Materials, Contractor shall grant the Department a nonexclusive, worldwide, paid-up license to use any Contractor Pre-Existing Materials embedded in the Work Product to the extent such Contractor Pre-Existing Materials are necessary for the Department to receive the intended benefit under this contract. Such license shall remain in effect for so long as such Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided for in Section 16.1 or as may be expressly agreed in any statement of work, contractor shall retain title to and ownership of any hardware it provides under this contract.

17. CONTRACT TERMINATION

17.1 Termination for Cause with Notice to Cure Requirement. The Department may terminate this contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms, or conditions contained in this contract after giving Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

17.2 Termination for Cause with Notice to Cure Requirement. Contractor may terminate this contract for the Department's failure to perform any of its duties under this contract after giving the Department written notice of the failure. The written notice must demand performance of the stated failure within a specified period of time of not less than **30 days**. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

17.3 Reduction of Funding. The Department must by law terminate this contract if funds are not appropriated or otherwise made available to support the Department's continuation of performance of this contract in a subsequent fiscal period. (18-4-313(4), MCA.) If state or federal government funds are not appropriated or otherwise made available through the Department budgeting process to support continued performance of this contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, the Department shall terminate this contract as required by law. The Department shall provide Contractor the date the Department's termination shall take effect. The Department shall not be liable to Contractor for any payment that would have been payable had the contract not been terminated under this provision. As stated above, the Department shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the Department's termination takes effect. This is Contractor's sole remedy. The Department shall not be liable to Contractor for any other

payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

18. EVENT OF BREACH – REMEDIES

18.1 Event of Breach by Contractor. Any one or more of the following Contractor acts or omissions constitute an event of material breach under this contract:

- ⌚ products or services furnished fail to conform to any requirement;
- ⌚ failure to submit any report required by this contract;
- ⌚ failure to perform any of the other terms and conditions of this contract, including but not limited to beginning work under this contract without prior Department approval; or
- ⌚ voluntary or involuntary bankruptcy or receivership.

18.2 Event of Breach by Department. The Department's failure to perform any material terms or conditions of this contract constitutes an event of breach.

18.3 Actions in Event of Breach.

Upon Contractor's material breach, the Department may:

- ⌚ terminate this contract under Section 17.1 and pursue any of its remedies under this contract, at law, or in equity; or
- ⌚ treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon the Department's material breach, Contractor may:

- ⌚ terminate this contract under Section 17 .2 and pursue any of its remedies under this contract, at law, or in equity; or
- ⌚ treat this contract as materially breached and, except as the remedy is limited in this contract, pursue any of its remedies under this contract, at law, or in equity.

19. FORCE MAJEURE

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than five working days after the onset. If the notice is not provided within the five day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

20. WAIVER OF BREACH

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

21. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the Department's Contracts Management Bureau's prior written consent. Product or services provided that do not conform to the contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

22. LIAISONS AND SERVICE OF NOTICES

22.1 Contract Liaisons. All project management and coordination on the Department's behalf must be through a single point of contact designated as the Department's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed under this contract must be coordinated between the Department's liaison and Contractor's liaison.

Nathan Jacobson is the Department's liaison.

4 N Haynes Ave

Miles City, MT 59301

Telephone: 406-233-2311

E-mail: njacobson@mt.gov

Alex DeWolf is Contractor's liaison.

325 16th St West

Billings, MT 59102

Telephone:

E-mail:

22.2 Notifications. The Department's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

23. MEETINGS

23.1 Technical or Contractual Problems. Contractor shall meet with the Department's personnel, or designated representatives, to resolve technical or contractual problems occurring during the contract term or to discuss the progress made by Contractor and the Department in the performance of their respective obligations, at no additional cost to the Department. The Department may request the meetings as problems arise and will be coordinated by the Department. The Department shall provide Contractor a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Contractor's consistent failure to participate in problem resolution meetings, Contractor missing or rescheduling two consecutive meetings, or Contractor's failure to make a good faith effort to resolve problems may result in termination of the contract.

23.2 Failure to Notify. If Contractor fails to specify in writing any problem or circumstance that materially affects the costs of its delivery of services or products, including a material breach by the Department, about which Contractor knew or reasonably should have known with respect to the period during the term covered by Contractor's status report, Contractor shall not be entitled to rely upon such problem or circumstance as a purported justification for an increase in the price for the agreed upon scope.

23.3 Department's Failure or Delay. For a problem or circumstance identified in Contractor's status report in which Contractor claims was the result of the Department's failure or delay in discharging any Department obligation, the Department shall review same and determine if such problem or circumstance was in fact the result of such failure or delay. If the Department agrees as to the cause of such problem or

circumstance, then the parties shall extend any deadlines or due dates affected thereby, and provide for any additional charges by Contractor. This is Contractor's sole remedy. If the Department does not agree as to the cause of such problem or circumstance, the parties shall each attempt to resolve the problem or circumstance in a manner satisfactory to both parties.

24. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, if the contract is otherwise terminated before project completion, or if particular work on a project is terminated for any reason, Contractor shall provide transition assistance for a reasonable, mutually agreed period of time after the expiration or termination of this contract or particular work under this contract. The purpose of this assistance is to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the Department or its designees. The parties agree that such transition assistance is governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The Department shall pay Contractor for any resources utilized in performing such transition assistance at the most current contract rates. If the Department terminates a project or this contract for cause, then the Department may offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages the Department may have sustained as a result of Contractor's breach.

25. CHOICE OF LAW AND VENUE

Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

26. TAX EXEMPTION

The Department of Montana is exempt from Federal Excise Taxes (#81-0302402).

27. AUTHORITY

This contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

28. SEVERABILITY CLAUSE

A declaration by any court or any other binding legal source that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually and materially dependent.

29. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

29.1 Contract. This contract consists of 11 numbered pages and any Attachments as required. In the case of dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

29.2 Entire Agreement. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by the parties.

30. WAIVER

Contractor: ATS Inland, NW, LLC
Contract #COR-SVCS-2018-0142-YSD
Contracting Authority: Sole Source

The Department's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

31. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

DEPARTMENT OF MONTANA
Montana Department of Corrections
5 S. Last Chance Gulch
Helena, MT 59601

ATS Inland, NW, LLC
325 16th St West
Billings, MT 59102

DocuSigned by:

Cindy McKenzie

5D1FF62E9E074AE

Cindy McKenzie, Administrator
Youth Services Division

DATE: 3/6/2018

DocuSigned by:

David Robbins

37D953A131BE407

David Robbins, Service Manager
ATS Inland, NW, LLC

DATE: 3/6/2018

Approved as to Legal Content:

DocuSigned by:

Colleen E Ambrose

3/6/2018

FFF88078013447
Legal Counsel

(Date)